

**Application number: 09/922489**

**Art Unit: 3694**

**Applicant: Khai Hee Kwan**

**Examiner: Susanna M. Diaz**

Title: Method, apparatus and program for pricing, transferring, buying, selling and exercising of financial options for paying educational course fees

## In the Claims

1-29 ( CANCELLED)

- 5 30. (CURRENTLY AMENDED) A method for user to contract a future education fee amount now for an education course and optionally paying for ~~the~~ said contracted education fee in the future subject to gaining admission to said course, comprising the steps:
- 10 receiving education information from user over a network connected to a memory having a data structure stored in said memory, said data structure comprising first data representative of volatility of education course prices;
- 15 ~~in response to the~~ using said information with said first data, calculating ~~the~~ an education option price in consideration to contract ~~the~~ a future education fee amount as determined by the user's education information where the price gives a right but not an obligation to pay ~~the~~ said ~~contracted~~ fee for ~~the~~ a selected course on ~~the~~ condition of being offered admission to the selected course by selected institution before commencement date of the selected course;
- 20 outputting the education option price for consideration by the user; and
- a step for the user to pay for the education option. ; ~~and~~
- 25 ~~whereby user is a potential student, parents, guardian or benefactor.~~

31. (CURRENTLY AMENDED) The method according to claim 30, whereby said consideration is paid to said selected institution. wherein the step of receiving education information comprising:

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~~at least one of the first information describing the future education fee amount to be contracted, second information concerning the desired number of years before commencement of the selected course, third information concerning user past academic results, fourth information concerning user personal data, fifth information concerning the selected institution, sixth information concerning the selected course,~~  
10 ~~seventh information concerning the user's flexibility factor of the selected course.~~

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32. (CURRENTLY AMENDED) The method according to claim 30 further comprising the step of receiving an indication that a the user has purchased the education option and updating a database to reflect ~~the~~ sale of ~~the~~ said option.

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33 (CURRENTLY AMENDED) The method according to claim 30, further comprising the step of receiving education option sales ~~in formation~~ information from an option database indicating a number of similar options that have been previously sold or written, and wherein the calculating steps use the option sales information in determining the option price.

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34. (CANCELLED)

**Application number: 09/922489**

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35. (CURRENTLY AMENDED) The method according to claim 30, further comprising ~~the steps of~~:

receiving a request from a user to exercise the education option;

5 verifying if said user has been admitted to the selected course;

if verified performing an online financial transaction to pay the ~~contracted~~ education fee contracted in the education option to said selected institution; and ~~update~~ updating the transaction.

10 36. (CURRENTLY AMENDED) The method according to claim 30, wherein the education option price is based in part upon ~~the~~ a formula below:

Option price =  $B * D * L * C * R * V$ ;

15 whereby B is ~~the~~ base price for the option, D is a factor related to a desired number of years before commencement of course, L is a factor concerning ~~the~~ expected enrollment demand on the subject course, V is a factor concerning the volatility of ~~the~~ education course prices, and C is a factor related to ~~the~~ desirability of the user, and R is a factor related to ~~the~~ flexibility of the user's education plans.

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37-50 (CANCELLED)

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**Application number: 09/922489      Art Unit: 3694**

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51. (CURRENTLY AMENDED) A computer-implemented method of offering to lock a future education fee amount for a selected education course comprising ~~the steps~~:

- 5    user inquiring ~~the~~ an education course price;  
     user making ~~receiving~~ an offer to lock a future education fee amount payable within a fixed period for a particular course subject to being granted admission; and paying the offer at the offer price.

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52-53 (CANCELLED)

54. (CURRENTLY AMENDED) A system for selling an education option locking in  
15 a future education cost comprising :

- a terminal ~~adapted to communicate~~ for communicating with a central controller that calculates an education option price as consideration for a contract with rights but not obligation to pay the future education fee amount for an education course within a  
20 specified future period, for a particular education course with a selected institution wherein said contract includes a condition of admission to the institution before selected course commencement date;

- said terminal ~~adapted to transmit~~ for transmitting to the central controller user's  
25 education information; ~~comprising at least one of the first information describing the proposed future education fee amount to be contracted, second information concerning the desired number of years before commencement of the selected course, third information concerning user past academic results, fourth information~~

**Application number: 09/922489      Art Unit: 3694**

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Title: Method, apparatus and program for pricing, transferring, buying, selling and exercising of financial options for paying educational course fees

~~concerning user personal data, fifth information concerning the selected institution, sixth information concerning the selected course, seventh information concerning the user's flexibility factor of the selected course; and~~

5    ~~if said user information satisfying selected institution's requirements, further adapted to receive said terminal for receiving from the central controller the option price satisfying the said user's information with the selected institution; and~~

said terminal for generating a display output reflecting the education option price and  
10   pricing information of different option offers relating to said course-

55. (CURRENTLY AMENDED) The system according to claim 54, wherein said terminal is ~~further adapted to transmit~~ for transmitting a user's request to purchase  
15   the education option and to perform a financial transaction satisfying the education option price payable to the selected institution.

56. (CURRENTLY AMENDED) The system according to claim 54, wherein said  
20   terminal is ~~further adapted to transmit~~ for transmitting a user's request to exercise the education option and to perform a financial transaction satisfying the contracted education fee amount payable to the selected institution whereby said exercise request is subject to ~~the user having gain~~ having admission to the course.

25   57 ( CANCELLED)

58. (CURRENTLY AMENDED) The system according to claim 54, wherein said host controller is ~~further adapted to~~ an electronic education option exchange.

59. (CURRENTLY AMENDED) A method for user to contract a future education fee amount now and optionally paying for ~~the~~ said education fee in the future; comprising the steps:

receiving education information from user over a network;

in response to ~~the~~ said information, calculating ~~the~~ an education option price wherein the calculating is based in part upon ~~the~~ a formula below:

Option price =  $B * D * L * C * R * V$ ;

whereby B is ~~the~~ base price for the option, D is a factor related to a desired number of years before commencement of course, L is a factor concerning ~~the~~ expected enrolment demand on ~~the~~ subject course, V is a factor concerning ~~the~~ volatility of ~~the~~ education course prices, and C is a factor related to ~~the~~ desirability of the user, and R is a factor related to ~~the~~ flexibility of the user's education plans;

outputting the education option price for consideration by the user;

a step for said user to accept by paying for the education option ; and

a step to revise said education information.

60. (NEW) An apparatus in a computer system which includes a computer processor and a memory operatively coupled to the computer processor, the apparatus comprising:

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one or more database for storing first data representative of volatility of education course prices;

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said memory having at least one region for storing executable program codes and said processor for executing the program codes stored in the memory causing the apparatus to determine an education option price when executed by said processor, wherein the program code comprising:

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a code segment for receiving education information from user over a network;

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a code segment for using said information with said first data and calculating the education option price in consideration to contract a future education fee amount as determined by the user's education information where the price gives a right but not an obligation to pay said fee for a selected course on condition of being offered admission to the selected course by selected institution before commencement date of the selected course;

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a code segment for outputting the education option price for consideration by the user; and

a code segment for the user to pay for the education option.

**Application number: 09/922489      Art Unit: 3694**

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Title: Method, apparatus and program for pricing, transferring, buying, selling and exercising of financial options for paying educational course fees

61. (NEW) The apparatus according to Claim 60 whereby said consideration is paid to said selected institution.

5 62. (NEW) The apparatus according to Claim 60 wherein the program code further comprising a code segment for receiving an indication that the user has purchased the education option and updating a database to reflect the sale of said option.

10 63. (NEW) The apparatus according to Claim 60 wherein the program code further comprising a code segment for receiving education option sales information from an option database indicating a number of similar options that have been previously sold or written, and wherein the calculating use the option sales information in determining the option price.

15 64 (NEW) The apparatus according to Claim 60 wherein the program code further comprising:

a code segment for receiving a request to exercise the education option;  
a code segment for verifying if user has been admitted to the selected course;  
a code segment for performing an online financial transaction to pay the education fee  
20 contracted in the education option to said selected institution if said user is verified;  
and  
updating the transaction.

25 65. (NEW) The apparatus according to Claim 60 wherein the code segment for calculating the education option price is based in part upon a formula below:

Option price =  $B * D * L * C * R * V$ ;



whereby B is base price for the option, D is a factor related to a desired number of years before commencement of course, L is a factor concerning expected enrollment demand on the subject course, V is a factor concerning the volatility of education course prices, and C is a factor related to desirability of the user, and R is a factor related to flexibility of the user's education plans.

66. (NEW) A computer program embodied on a computer readable medium for determining an education option price comprising:

a code segment for receiving education information from user over a network connected to a memory having a data structure stored in said memory, said data structure having first data representative of volatility of education course prices;

a code segment for using said information with said first data and calculating an education option price in consideration to contract a future education fee amount as determined by the user's education information where the price gives a right but not an obligation to pay said fee for a selected course on condition of being offered admission to the selected course by a selected institution before commencement date of the selected course;

a code segment for outputting the education option price for consideration by said user; and

a code segment for the user to pay for the education option.

67. (NEW) The computer program according to Claim 66 whereby said consideration is paid to said selected institution.

68. (NEW) The computer program according to Claim 66 wherein the program code further comprising a code segment for receiving an indication that the user has purchased the education option and updating a database to reflect sale of said option.

69. (NEW) The computer program according to Claim 66 wherein the program code further comprising a code segment for receiving education option sales information from an option database indicating a number of similar options that have been previously sold or written, and wherein the calculating use the option sales information in determining the option price.

70. (NEW) The computer program according to Claim 66 wherein the program code further comprising:

a code segment for receiving a request to exercise the education option;

a code segment for verifying if user has been admitted to the selected course;

a code segment for performing an online financial transaction to pay the education fee contracted in the education option to said selected institution if said user is verified;

and

updating said transaction.

71 (NEW) The computer program according to Claim 66 wherein the education option price is based in part upon a formula below:

Option price =  $B * D * L * C * R * V$ ;

whereby B is base price for the option, D is a factor related to a desired number of years before commencement of course, L is a factor concerning expected enrollment demand on the subject course, V is a factor concerning the volatility of education course prices, and C is a factor related to the desirability of the user, and R is a factor related to flexibility of the user's education plans.

72. (NEW) A computer readable medium in association with a computer which includes a processor and a memory, said medium having computer codes embodied on said medium causing said computer to assist an user to lock a future education fee amount for a particular education course when executed by said processor, said codes comprising :

a code segment for user to inquire an education course price;  
a code segment for user to make an offer to lock a future education fee amount payable within a fixed period for a particular course subject to being granted admission; and a code segment for user to pay the offer at the offer price.

73. (NEW) A system which includes a computer processor and a memory operatively coupled to the computer processor, the system comprising:

said memory having at least one region for storing executable program codes and said processor for executing the program code stored in the memory causing said system to perform the steps comprising:

receiving offer to sell an education option for a selected course at a particular price;

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verifying the existence of the education option and that said option is not expired;

receiving bid to buy an education option for a selected course at a particular price;

- 5 displaying information regarding said bids and offers over said network accessible by plurality of users;

determining whether a match exists between one of said bids and one of said offers for the same education option; and

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if match then said option is transfer to buyer having said matching bid.

74. (NEW) The system according to claim 73 is for determining a market price for an  
15 existing education option offered by an education institution.

75. (NEW) The system according to claim 73, wherein said program code stored in memory is for calculating education option price based in part using data representative of current cost of funds.

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